

ASSEMBLY BILL

No. 2400

Introduced by Assembly Member Maddox

February 24, 2000

An act to amend Section 17054 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2400, as introduced, Maddox. Income taxes: exemption credit: dependents.

The Personal Income Tax Law authorizes a credit of \$227 for each taxable year beginning on or after January 1, 1999, adjusted for inflation thereafter, as specified, for each dependent.

This bill would allow a credit of \$314 for taxable years beginning on or after January 1, 2000, and adjusted for inflation, as specified, for each dependent.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17054 of the Revenue and
2 Taxation Code is amended to read:
3 17054. In the case of individuals, the following credits
4 for personal exemption may be deducted from the tax
5 imposed under Section 17041 or 17048, less any increases
6 imposed under paragraph (1) of subdivision (d) or

1 paragraph (1) of subdivision (e), or both, of Section
2 17560.

3 (a) In the case of a single individual, a head of
4 household, or a married individual making a separate
5 return, a credit of fifty-one dollars (\$51) for taxable years
6 beginning on or after January 1, 1987, and before January
7 1, 1988, and fifty-two dollars (\$52) for taxable years
8 beginning on or after January 1, 1988.

9 (b) In the case of a surviving spouse (as defined in
10 Section 17046), or a husband and wife making a joint
11 return, a credit of one hundred two dollars (\$102) for
12 taxable years beginning on or after January 1, 1987, and
13 before January 1, 1988, and one hundred four dollars
14 (\$104) for taxable years beginning on or after January 1,
15 1988. If one spouse was a resident for the entire taxable
16 year and the other spouse was a nonresident for all or any
17 portion of the taxable year, the personal exemption shall
18 be divided equally.

19 (c) In addition to any other credit provided in this
20 section, in the case of an individual who is 65 years of age
21 or over by the end of the taxable year, a credit of fifty-one
22 dollars (\$51) for taxable years beginning on or after
23 January 1, 1987, and before January 1, 1988, and fifty-two
24 dollars (\$52) for taxable years beginning on or after
25 January 1, 1988.

26 (d) (1) A credit of fifty-one dollars (\$51) for taxable
27 years beginning on or after January 1, 1987, and before
28 January 1, 1988, fifty-two dollars (\$52) for taxable years
29 beginning on or after January 1, 1988, and before January
30 1, 1998, two hundred fifty-three dollars (\$253) for taxable
31 years beginning on or after January 1, 1998, and before
32 January 1, 1999, ~~and~~ two hundred twenty-seven dollars
33 (\$227) for taxable years beginning on or after January 1,
34 1999, *and before January 1, 2000, and three hundred*
35 *fourteen dollars (\$314) for taxable years beginning on or*
36 *after January 1, 2000*, for each dependent (as defined in
37 Section 17056) for whom an exemption is allowable under
38 Section 151(c) of the Internal Revenue Code, relating to
39 additional exemption for dependents. The credit allowed
40 under this subdivision for taxable years beginning on or

1 after January 1, 1999, shall not be adjusted pursuant to
2 subdivision (i) for any taxable year beginning before
3 January 1, 2000.

4 (2) The credit allowed under paragraph (1) shall not
5 be denied on the basis that the identification number of
6 the dependent, as defined in Section 17056, for whom an
7 exemption is allowable under Section 151(c) of the
8 Internal Revenue Code, relating to additional exemption
9 for dependents, is not included on the return claiming the
10 credit.

11 (e) A credit for personal exemption of fifty-one dollars
12 (\$51) for taxable years beginning on or after January 1,
13 1987, and before January 1, 1988, and fifty-two dollars
14 (\$52) for taxable years beginning on or after January 1,
15 1988, for the taxpayer if he or she is blind at the end of his
16 or her taxable year.

17 (f) A credit for personal exemption of fifty-one dollars
18 (\$51) for taxable years beginning on or after January 1,
19 1987, and before January 1, 1988, and fifty-two dollars
20 (\$52) for taxable years beginning on or after January 1,
21 1988, for the spouse of the taxpayer if a separate return is
22 made by the taxpayer, and if the spouse is blind and, for
23 the calendar year in which the taxable year of the
24 taxpayer begins, has no gross income and is not the
25 dependent of another taxpayer.

26 (g) For the purposes of this section, an individual is
27 blind only if either: his or her central visual acuity does
28 not exceed 20/200 in the better eye with correcting
29 lenses, or his or her visual acuity is greater than 20/200 but
30 is accompanied by a limitation in the fields of vision such
31 that the widest diameter of the visual field subtends an
32 angle no greater than 20 degrees.

33 (h) In the case of an individual with respect to whom
34 a credit under this section is allowable to another
35 taxpayer for a taxable year beginning in the calendar year
36 in which the individual's taxable year begins, the credit
37 amount applicable to that individual for that individual's
38 taxable year shall be zero.

39 (i) For each taxable year beginning on or after January
40 1, 1989, the Franchise Tax Board shall compute the credits

1 prescribed in this section. That computation shall be
2 made as follows:

3 (1) The California Department of Industrial Relations
4 shall transmit annually to the Franchise Tax Board the
5 percentage change in the California Consumer Price
6 Index as modified for rental equivalent homeownership
7 for all items from June of the prior calendar year to June
8 of the current calendar year, no later than August 1 of the
9 current calendar year.

10 (2) The Franchise Tax Board shall add 100 percent to
11 the percentage change figure which is furnished to them
12 pursuant to paragraph (1), and divide the result by 100.

13 (3) The Franchise Tax Board shall multiply the
14 immediately preceding taxable year credits by the
15 inflation adjustment factor determined in paragraph (2),
16 and round off the resulting products to the nearest one
17 dollar (\$1).

18 (4) In computing the credits pursuant to this
19 subdivision, the credit provided in subdivision (b) shall
20 be twice the credit provided in subdivision (a).

21 (j) The amendments made to this section by the act
22 adding this subdivision shall be applied only in the
23 computation of taxes for taxable years beginning on or
24 after January 1, 1990.

25 SEC. 2. This act provides for a tax levy within the
26 meaning of Article IV of the Constitution and shall go into
27 immediate effect.

